



(BILLING CODE: 3510-DS-P)

DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

(A-201-830)

Carbon and Certain Alloy Steel Wire Rod from Mexico: Preliminary Results of Antidumping Duty Administrative Review; 2013-2014

AGENCY: Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce

SUMMARY: The Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on carbon and certain alloy steel wire rod (wire rod) from Mexico. The period of review (POR) is October 1, 2013 through September 30, 2014.<sup>1</sup> This review covers two producers/exporters of subject merchandise: ArcelorMittal Las Truchas, S.A. de C.V. (AMLT) and Deacero S.A. de C.V. We preliminarily determine that AMLT and Deacero made sales of subject merchandise at less than normal value (NV) during the POR. Interested parties are invited to comment on these preliminary results.

DATES: Effective date: (Insert date of publication in the *Federal Register*).

FOR FURTHER INFORMATION CONTACT: James Terpstra (for Deacero) or Jolanta Lawska (for AMLT), AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: 202-482-3965 and 202-482-8362, respectively.

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<sup>1</sup> See Notice of Antidumping Duty Orders: Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine 67 FR 65945 (October 29, 2002) (Wire Rod Order).

## SUPPLEMENTARY INFORMATION

### Scope of the Order

The merchandise covered by the *Wire Rod Order* is carbon and certain alloy steel wire rod. The product is currently classified under the Harmonized Tariff Schedule of the United States (HTSUS) item numbers 7213.91.3000, 7213.91.3010, 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3090, 7213.91.3091, 7213.91.3092, 7213.91.3093, 7213.91.4500, 7213.91.4510, 7213.91.4590, 7213.91.6000, 7213.91.6010, 7213.91.6090, 7213.99.0030, 7213.99.0031, 7213.99.0038, 7213.99.0090, 7227.20.0000, 7227.20.0010, 7227.20.0020, 7227.20.0030, 7227.20.0080, 7227.20.0090, 7227.20.0095, 7227.90.6010, 7227.90.6020, 7227.90.6030, 7227.90.6035, 7227.90.6050, 7227.90.6051, 7227.90.6053, 7227.90.6058, 7227.90.6059, 7227.90.6080, and 7227.90.6085 of the HTSUS. Although the HTS numbers are provided for convenience and customs purposes, the written product description remains dispositive.<sup>2</sup>

### Methodology

The Department is conducting this review in accordance with section 751(a)(2) of the Tariff Act of 1930, as amended (the Act). Constructed export prices or export price are calculated in accordance with section 772 of the Act. Normal value is calculated in accordance with section 773 of the Act.

For a full description of the methodology underlying our conclusions, please see the Preliminary Decision Memorandum, which is hereby adopted by this notice. A list of the topics discussed in the Preliminary Decision Memorandum is attached as an appendix to this notice.

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<sup>2</sup> For a complete description of the scope of the order, *see* Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance, “Decision Memorandum for Preliminary Results of 2013/14 Antidumping Duty Administrative Review: Carbon and Certain Alloy Steel Wire Rod from Mexico” (Preliminary Decision Memorandum), dated concurrently with these preliminary results.

The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>, and it is available to all parties in the Central Records Unit (CRU), room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the Internet at <http://enforcement.trade.gov/frn/index.html>. The signed Preliminary Decision Memorandum and the electronic versions of the Preliminary Decision Memorandum are identical in content.

*Preliminary Results of the Review*

As a result of this review, we preliminarily determine that the weighted-average dumping margins for the POR are as follows:

<b>Producer/Exporter</b>	<b>Weighted-Average Dumping Margin (percent)</b>
Deacero S.A. de C.V.	72.95
ArcelorMittal Las Truchas, S.A. de C.V.	12.38

Assessment Rate

Upon issuance of the final results, the Department shall determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries covered by this review. For any individually examined respondents whose weighted-average dumping margin is above *de minimis*, we will calculate importer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of dumping calculated for the importer's examined

sales to the total entered value of those same sales in accordance with 19 CFR 351.212(b)(1).<sup>3</sup>

We will instruct CBP to assess antidumping duties on all appropriate entries covered by this review when the importer-specific assessment rate calculated in the final results of this review is above *de minimis* (i.e., 0.50 percent). Where either the respondent's weighted-average dumping margin is zero or *de minimis*, or an importer-specific assessment rate is zero or *de minimis*, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of this review where applicable.

In accordance with the Department's "automatic assessment" practice, for entries of subject merchandise during the POR produced by each respondent for which they did not know that their merchandise was destined for the United States, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate company(ies) involved in the transaction. For a full discussion of this clarification, *see Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

We intend to issue instructions to CBP 15 days after publication of the final results of this review.

#### Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the notice of final results of administrative review for all shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication of the final results of this administrative review, as provided by section 751(a)(2) of the Act: (1) the cash deposit rate for

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<sup>3</sup> In these preliminary results, the Department applied the assessment rate calculation method adopted in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101 (February 14, 2012).

Deacero and AMLT will be equal to the weighted-average dumping margins established in the final results of this administrative review; (2) for merchandise exported by manufacturers or exporters not covered in this administrative review but covered in a prior completed segment of the proceeding, the cash deposit rate will continue to be the company-specific rate published in the completed segment for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the original investigation, but the manufacturer is, the cash deposit rate will be the rate established in the completed segment for the most recent period for the manufacturer of the merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be 20.11 percent, the all-others rate established in the investigation.<sup>4</sup> These cash deposit requirements, when imposed, shall remain in effect until further notice.

Concerning Deacero, on October 1, 2012, the Department found that wire rod with an actual diameter of 4.75 mm to 5.00 mm produced (hereinafter referred to as narrow gauge wire rod) in Mexico and exported to the United States by Deacero was circumventing the *Wire Rod Order*.<sup>5</sup> Specifically, the Department found that it is appropriate to consider that Deacero's shipments to the United States of narrow gauge wire rod constitute merchandise altered in form or appearance in such minor respects that it should be included within the scope of *Wire Rod Order*.<sup>6</sup> The Department's affirmative finding in the *Final Circumvention Determination* applied solely to Deacero.

Deacero challenged the Department's ruling in the *Final Circumvention Determination* and on December 22, 2014, the Court of International Trade (CIT) entered its final judgement in

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<sup>4</sup> See *Notice of Final Determination of Sales at Less Than Fair Value: Carbon and Certain Alloy Steel Wire Rod From Mexico*, 67 FR 55800 (August 30, 2002).

<sup>5</sup> See *Carbon and Certain Alloy Steel Wire Rod From Mexico: Affirmative Final Determination of Circumvention of the Antidumping Order*, 77 FR 59892 (October 1, 2012) (*Final Circumvention Determination*) and accompanying Issues and Decision Memorandum.

<sup>6</sup> *Id.*

*Deacero III*,<sup>7</sup> sustaining the Department's negative circumvention determination from the First Remand Redetermination in which the Department, under protest, found that Deacero's shipments of narrow gauge wire rod to the United States were not subject antidumping duties.<sup>8</sup> The Department is appealing the CIT's decision at the Federal Circuit. Consistent with the CIT's holding and *Wire Rod Timken Notice*,<sup>9</sup> the Department instructed CBP to set the cash deposit rate for narrow gauge wire rod shipped to the United States by Deacero to zero, pending a final and conclusive court decision. Additionally, we instructed CBP to refund any antidumping duties deposited for narrow gauge wire rod shipped to the United States by Deacero that entered from January 1, 2015, through the publication date of the *Wire Rod Timken Notice* (July 27, 2015) and, for such entries, to continue to suspend Deacero's narrow gauge wire rod at a zero cash deposit rate.<sup>10</sup>

During the POR of the instant review, Deacero shipped narrow gauge wire rod as well as wire rod with actual diameters greater than 5.00 mm. In light of the CIT's holding in *Deacero III* and our statement in *Wire Rod Timken Notice* that Deacero's narrow gauge wire rod is excluded from antidumping duties,<sup>11</sup> we have, for purposes of these preliminary results, removed narrow gauge wire rod from Deacero's dumping calculations. Per the Court's holding in *Deacero III*, the preliminary cash deposit rate for Deacero, as listed above, only applies with regard its entries of wire with an actual diameter that is greater than 5.00 and less than or equal to

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<sup>7</sup> See *Deacero S.A.P.I. de C.V. and Deacero Usa, Inc. v. United States and Arcelormittal USA LLC, Gerdau Ameristeel U.S. Inc., Evraz Rocky Mountain Steel, and Nucor Corporation*, Court No. 12-00345, Slip Op. 14-151 (*Deacero III*).

<sup>8</sup> See Final Results of Redetermination Pursuant to *Deacero S.A. de C.V. and Deacero USA Inc. v. United States and Arcelormittal USA LLC, Gerdau Ameristeel U.S. Inc., Evraz Rocky Mountain Steel, and Nucor Corporation*, Court No. 12-00345; Slip Op. 13-126 (CIT 2013) (January 29, 2014) (First Remand Redetermination).

<sup>9</sup> See *Carbon and Certain Alloy Steel Wire Rod From Mexico: Notice of Court Decision Not in Harmony With Final Results and Notice of Amended Final Determination*, 80 FR 44326, 44327 (July 27, 2015) (*Wire Rod Timken Notice*).

<sup>10</sup> *Id.*

<sup>11</sup> See *Diamond Sawblades Mfrs. Coalition v. United States*, 626 F.3d 1374 (Fed. Cir. 2010).

19.00 mm. The cash deposit rate listed above for Deacero does not apply to its entries of narrow gauge wire rod.

#### Disclosure and Public Comment

The Department intends to disclose to interested parties to this proceeding the calculations performed in connection with these preliminary results within five days after the date of publication of this notice.<sup>12</sup> Pursuant to 19 CFR 351.309(c)(1)(ii), interested parties may submit case briefs not later than 30 days after the date of publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs.<sup>13</sup> Parties who submit case briefs or rebuttal briefs in this proceeding are requested to submit with the argument: (1) a statement of the issue, (2) a brief summary of the argument, and (3) a table of authorities.<sup>14</sup> All case and rebuttal briefs must be filed electronically using ACCESS, and must also be served on interested parties.<sup>15</sup> An electronically filed document must be received successfully in its entirety by the Department's electronic records system, ACCESS, by 5:00 p.m. Eastern Time within 30 days after the date of publication of this notice. Executive summaries should be limited to five pages total, including footnotes.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce. All documents must be filed electronically using ACCESS. An electronically-filed request must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Time, within 30 days after the date of publication of this notice.<sup>16</sup> Requests should contain the party's name, address, and telephone number, the number of participants, and a list of

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<sup>12</sup> See 19 CFR 351.224(b).

<sup>13</sup> See 19 CFR 351.309(d).

<sup>14</sup> See 19 CFR 351.309(c)(2) and (d)(2).

<sup>15</sup> See 19 CFR 351.303(f).

<sup>16</sup> See 19 CFR 351.310(c).

the issues to be discussed. If a request for a hearing is made, the Department intends to hold the hearing at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Unless the deadline is extended, the Department intends to issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their case and rebuttal briefs, within 120 days after the publication of these preliminary results, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h).

#### Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

These preliminary results of review are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

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Paul Piquado  
Assistant Secretary  
for Enforcement and Compliance

October 30, 2015\_  
Date

## **Appendix**

### List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
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- III. Scope of the Order
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